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*Market Administrator's***BULLETIN***Frank W. Loder*

MARKET ADMINISTRATOR

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ISSUED FOR PRODUCERS WHO ARE NOT MEMBERS OF COOPERATIVE ASSOCIATIONS

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**Marketing Order Serves Dairy Farmers**

By A. T. Radigan U. S. Department of Agriculture

Millions of consumers think of milk as a liquid food in handy cartons they buy at the store, or have delivered to the home. The weight of bulk milk is a question which rarely concerns them. And generally, consumers aren't affected if a little bit more, or a little bit less butterfat is in the milk that farmers sell for processing and packaging in the familiar cartons.

But to individual dairy farmers, as well as to dairy farmers as a group, milk weights and butterfat are of vital concern. They affect the returns every farmer receives for milk sold off the farm.

For, returns to a farmer are not based on the fluid measures used in consumer purchases of milk, but on its weight — so much for every hundred pounds.

And returns to a dairy farmer, uniquely, are keyed to a second factor, the amount of butterfat in the milk he supplies.

As the butterfat in the milk varies from the stipulated 3.5 percent, the dairy farmer's price is adjusted accordingly, either up or down. The more butterfat in the milk, the higher the price; the less butterfat, the lower the price.

For fairness to the dairy farmer, determination of milk weights and butterfat upon which prices are based must be accurate.

But, no matter how well equipped the dairy farmer is for his trade, he obviously cannot make his own findings to check-test the butterfat in his milk, which must be done in a laboratory. Nor is he likely to have the necessary facilities or know-how to check on the accuracy of the devices used for calculating the weights of milk.

How can the farmers be sure that these first determinations — pay tests, as they're known in the dairy industry — are accurate?

For dairy farmers delivering milk to Federal milk marketing order areas, the answer is available from a government agency — the U. S. Department of Agriculture's Consumer and Marketing Service — which through its milk market administrator checks the accuracy of the handler pay tests of producers' milk.

The milk market administrators help individual producers by providing special marketing services, of which the needed check-tests of butterfat and milk weights are a part. Frequently such marketing services have grown out of other required activities of the milk market administrators in enforcing the orders — seeing that the minimum prices set for producers are being paid by handlers, and that all other provisions of the orders are being met.

Most of the present 74 Federal

milk marketing orders, administered by USDA's Consumer and Marketing Service, contain specific provisions, voted in by producers with the rest of the order, for checking into accuracy of weights and butterfat tests made by handlers on milk purchased from producers.

Through a check-testing by the market administrator's staff, dairy farmers can be sure of receiving payment from handlers for the correct amount of milk according to its butterfat content.

The market administrator of the Federal milk order concerned sees that these marketing services are performed for those farmers for whom such services are not already being provided by a qualified dairy farmer cooperative association. Milk producers benefiting from these check-tests are assessed a small fee, say from 2 to 6 cents for every hundred pounds of milk they deliver to the Federal order market. This goes into a special fund set up by the market administrator to cover the expenses of providing the special marketing services.

What are some of these expenses?

Most market administrators maintain their own laboratories to make the butterfat check-tests; some pay for having the work done elsewhere by reliable testing agencies.

(Continued on Back Page)





*Columbus*

## MARKET FACTS FOR EASY REFERENCE

### PRICE SUMMARY

Producers' Uniform Price (3.5%) .....	
Class I (3.5%) .....	
Class II (3.5%) .....	
Producer Butterfat Differential for each one-tenth percent .....	

Feb. 1966	Jan. 1966	Feb. 1965
\$4.76	\$4.65	\$4.42
5.10	5.00	4.78
3.32	3.21	3.13
8.4¢	8.2¢	7.8¢

### UTILIZATION SUMMARY

Percent of Producer Milk in Class I .....	
Percent of Producer Butterfat in Class I .....	
Percent of Producer Milk in Class II .....	
Percent of Producer Butterfat in Class II .....	

83.3	82.8	79.8
75.5	75.1	73.0
16.7	17.2	20.2
24.5	24.9	27.0

### PRODUCER MILK RECEIPTS

Total Pounds of Producer Milk Delivered .....	
Average Daily Class I Producer Milk .....	
Total Number of Producers .....	
Average Daily Receipts per Producer .....	
Average Butterfat Test .....	
Total Value of Producers Milk at Test .....	
Income per Producer (7 day average) .....	

41,815,504	46,243,721	42,549,333
1,493,411	1,491,733	1,519,619
1,593	1,602	1,670
938	931	910
3.87	3.87	3.87
\$2,118,663	\$2,287,603	\$2,001,090
\$332	\$322	\$299

### GROSS CLASS USE (Pounds)

Class I Skim .....	
Class I Butterfat .....	
Class I Milk .....	
Class II Skim .....	
Class II Butterfat .....	
Class II Milk .....	

33,603,237	36,941,661	32,751,325
1,221,894	1,344,194	1,202,999
34,825,131	38,285,855	33,954,324
6,593,814	7,511,310	8,149,288
396,563	446,555	445,720
6,990,377	7,957,865	8,595,008

### AVERAGE DAILY SALES (Quarts)

Milk .....	
Buttermilk .....	
Chocolate .....	
Skim .....	
Cream .....	

455,040	452,593	448,199
5,787	5,827	5,732
31,473	31,326	30,804
13,787	13,481	15,286
8,805	8,852	9,746

\* Corrected figure

COMPARATIVE STATISTICS



COLUMBUS MARKETING AREA



FEB. 1957 - '66

Year	Receipts From Producers	Average Butter-fat Test	Percentage of Producer Milk in Each Class				Uniform Producer Price (3.5%)	Class Prices at 3.5%				Number of Producers	Daily Average Production
			Class I	Class II	Class III	Class IV		Class I	Class II	Class III	Class IV		
1957 .....	21,646,895	3.80	85.7	6.9	2.9	2.7	4.44	4.529	4.129	4.029	3.063	1,921	402
1958 .....	22,305,961	3.86	83.9	9.6	.8	2.1	4.38	4.504	4.104	4.003	3.082	1,844	432
1959 .....	21,909,063	3.85	86.4	10.7	3.1	3.4	4.34	4.44	4.04	3.94	2.869	1,689	463
1960 .....	27,057,916	3.93	80.9	7.2	2.2	9.7	4.28	4.508	4.108	3.742	2.993	1,703	548
1961 .....	27,302,402	3.87	78.4	7.9	1.5	12.2	4.44	4.715	4.315	3.842	3.095	1,482	658
1962 .....	30,576,654	3.93	77.5	6.8	2.0	13.7	4.28	4.516	4.116	3.887	3.261	1,326	824
1963 .....	34,477,158	3.94	79.0	6.8	2.7	11.5	4.03	4.21	3.801	3.652	3.052	1,385	889
1964 .....	38,937,438	3.86	74.8	8.5	1.9	14.8	4.11	4.38	3.941	3.711	3.077	1,352	993
1965 .....	42,549,333	3.87	79.8	20.2	—	—	4.42	4.78	3.130	—	—	1,670	910
1966 .....	41,815,504	3.87	83.0	17.0	—	—	4.76	5.10	3.320	—	—	1,593	938

## Feed Grain Exports Set New Record

The Feed Situation, Economic Research Service USDA, February 1966

Exports of feed grains have expanded rapidly during the past year, reflecting short supplies in some countries and continued expansion in overseas demand. Quarterly exports of feed grains exceeded 6 million tons for the first time in July-September 1965, then rose to 7.7 million tons in October-December. Exports are expected to continue above a year earlier during the remainder of the 1965-66 feeding year. The sharp recent uptrend in exports and prospects for continued strong world demand point to a record 1965-66 export, around 20 to 25 percent above the 1964-65 movement of 21.6 million tons.

Exports to most European countries were higher in October-December 1965 than a year earlier. Combined exports of corn and sorghum grain to Italy were up 70 percent, while shipments to Spain and West Germany also increased sharply. About 20 percent more was exported to Belgium and 5 percent more to

the Netherlands. Japan was the No. 1 importer of U. S. corn and sorghum grain, totaling about 1.1 million tons of the 2 grains, 60 percent more than a year earlier. About one-third of the total sorghum grain export went to Japan. The increase in exports during the past year not only has been due to the growing foreign demand for feed grains but also a smaller supply in some of the exporting countries, notably Argentina and South Africa.

U. S. exports of corn during October-December reached a record high of 197 million bushels, 45 million bushels more than the previous record in that quarter of 1964. Corn exports are expected to decline some from this high level during the remainder of the marketing year, but they probably still will exceed the January-September exports of 1965. Exports for the entire 1965-66 marketing years are now expected to be

around 20 percent above the 570 million bushels of a year earlier.

Sorghum grain exports also have been quite heavy during most of the past year, reaching a record high of 58 million bushels in July-September of 1965 and a second quarterly high of 48 million in October-December. Exports of sorghum grains are expected to continue heavy in 1965-66 — probably totaling around a third larger than in 1964-65.

Barley exports have declined during the past few years with the decline in production and in 1965-66 they are expected to be about the same as a year earlier. Exports of oats increased sharply this year, totaling 23 million bushels during July-December which is much larger than in the 2 previous years when only about 4 or 5 million bushels were exported in that period. Exports for the entire marketing year are now expected to be the largest since 1959-60.

## Feed Grain Supply Up 9 Million Tons

The Feed Situation, Economic Research Service USDA, February 1966

The supply of feed grains for 1965-66 is now estimated at 217 million tons, up about 9 million tons from last year but down 5 million from the 1959-63 average. Feed grain production in 1965 reached a record 161 million tons, up 23 million from a year earlier. Much of this increase, however, was offset by a 14-million-

ton reduction in the carryover.

Utilization of feed grains in 1965-66 is expected to increase by about 5 or 6 percent over the level of the past 3 years. The quantity consumed by livestock may be around 4 million tons more than the 116 million tons fed in 1964-65. Feed grain exports have been especially heavy so far

during 1965-66 and for the entire year they are now expected to be around 5 million tons above the 21.6 million in 1964-65. This would result in a total feed grain utilization about equal to the 1965 crop. The resulting carryover into 1966-67 would be about the same as the 56 million tons carried over into 1965-66.



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THE  
*Market*  
*Administrators'*  
**BULLETIN**

## High-Protein Feed Supplies 3 Percent Over Last Year

The Feed Situation, Economic Research Service  
USDA, February 1966

The quantity of high-protein feeds (soybean meal equivalent) available for feeding in 1965-66 is expected to total nearly 17.0 million tons. This would be about 3 percent more than in the past 3 years when the quantity fed leveled off at around 16.5 million tons. Heavier soybean meal feeding is expected to account for most of the increase. Feeding of grain proteins likely will increase while feeding of animal proteins probably will decline as the result of prospects for reduced supplies of tankage, meat meal, and fish meal. Combined feeding of other oilseed meals probably will be little changed from a year earlier. The number of high-protein consuming animal units is estimated at 147 million, slightly more than last year. These, coupled with the estimated tonnage of high-protein feeds, would make available 231 pounds of feed per animal unit, about 3 percent more than in the past 4 years when the quantity fed ranged from 225 to 227.

Milk cows and heifers, 2 years and older on farms, totalled 16.6 million on January 1, 1966. This was 5.6 percent below a year earlier and the largest decline in numbers since 1959.

## Market Quotations

FEBRUARY  
1966

MINNESOTA - WISCONSIN PRICE SERIES .....	\$3.58
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Columbus) .....	3.22
Average Price per lb. 92-score butter at Chicago .....	.6180
Average carlot prices non-fat dry milk solids roller and spray process, f.o.b. manufacturing plant .....	.1459

### MARKETING ORDER . . .

(Continued from Front Page)

In connection with milk weight tests, since producers are paid generally on the basis of dipstick measurements of milk in bulk tanks at the farm, some market administrators now check the calibrations of farm bulk tanks. Years ago when milk was shipped mostly by cans, the market administrator would check the scales used for handlers' pay tests. But now, with the industry turning so largely to the use of farm bulk tanks, the accuracy of farm bulk tank calibrations are an important consideration in making sure that fair prices are paid to producers.

When market administrators find dipstick calibrations which do not accurately determine the weight of milk in the bulk tank, steps are taken to correct this.

The special fund set up by the administrator also covers the expense of an additional marketing service providing marketwide information on supplies, sales, and prices of milk to farmers who otherwise would not

have it. Most market administrators issue a monthly bulletin which is widely used by those who must make milk marketing decisions. While this bulletin is an extremely valuable aid to producers in understanding the market, it is less easy to pinpoint in dollars-and-cents benefits than to determine the more tangible benefits derived from checking milk weights and butterfat tests.

Important as these marketing services are to producers, they also benefit milk dealers, who can be sure that they and their competitors are paying dairy farmers on the same basis — the impartial check-tests by the market administrator.

Federal milk marketing orders, initiated and voted in by dairy farmers, set minimum prices to be paid by dealers to the dairy farmers from whom they buy their milk. Prices consumers pay, however, are not required. The orders are now operating in 74 major population centers, where more than two-thirds of the milk for fluid use is delivered to dealers for sale to 111 million of our Nation's consuming public.